INNER MONGOLIA MENGNIU DAIRY (GROUP) COMPANY LTD v. SIMS CAPITAL SDN BHD

HIGH COURT MALAYA, KUALA LUMPUR
MOHD RADZI HARUN J
[SUIT NO: WA-24IP-5-07-2020]
29 NOVEMBER 2022

Abstract – *The plaintiff, in an application to revoke and invalidate the defendant's trademark under ss. 46(1) and 47(1) of Trademarks Act 2019 ('TMA'), must fundamentally establish that it is an aggrieved person within the meaning of ss. 46 and 47 of the TMA and in so doing, the plaintiff must assert an infringement of its statutory rights of a statute which affected the plaintiff's interests substantially or that the plaintiff has some genuine interest in having his legal position declared, even though he could get no other relief.*

INTELLECTUAL PROPERTY: *Registered trademark – Revocation and invalidation – Application under ss. 46(1) and 47(1) of Trademarks Act 2019 ('TMA') to revoke and invalidate defendant's registered trademark – Whether applicant inventor and originator of trademark – Whether applicant's corporate name and identity consisted words and characters taken from applicant's name – Whether aggrieved person within ss. 46 and 47 of TMA – Whether prima facie case of non-use proven – Whether there was likelihood of confusion between trademarks of both parties – Whether defendant's trademark registered based on fraudulent misrepresentation*

The plaintiff, the principal operating subsidiary of the Hong Kong public listed conglomerate, China Mengniu Dairy Company Ltd, a Chinese manufacturing and distribution company of dairy products with headquarters at Hohhot, Inner Mongolia, manufacturing dairy products under the brand name 'MENGNIU', was the registered proprietor of the trademark ('plaintiff's trademark'). The plaintiff contended that it was the inventor and originator of the trademark, consisting of the word 'MENGNIU', which was taken from the full name of the plaintiff. The plaintiff, having discovered that the defendant had secured registration for its trademark, filed a case against the defendant seeking: (i) revocation pursuant to s. 46(1) of the Trademarks Act 2019 ('TMA') on grounds of non-use; (ii) invalidation pursuant to s. 47(1) as it was likely to cause confusion, in breach of s. 23(5) of the TMA; (iii) invalidation pursuant to s. 47(3) as it was in conflict with the plaintiff's trademark and that the plaintiff had earlier right over that mark, in breach of s. 24(3) of the TMA; and (iv) invalidation pursuant to s. 47(6) as there was fraud in the registration of the defendant's trademark.

Held (allowing plaintiff's application):

(1) The goods and services relevant for the purposes of the plaintiff's claims against the defendant were covered by classes 29, 30 and 32. The plaintiff's registration in the three classes could not proceed as they were being objected to by the defendant. If the plaintiff was insistent in using its mark in those classes before registration, it was consciously risking itself to be sued for infringement and passing off by the defendant, thus would jeopardise its pending registration. The court took cognisance of the fact that the plaintiff was a legitimate trader who has a legitimate expectation and legal interest to use the plaintiff's trademark since the plaintiff's corporate name and identity consisted of the words 'MENGNIU' and the Chinese characters and also being the original manufacturer and merchant of products bearing the plaintiff's trademark. The plaintiff had registered the Chinese characters as a trademark on 26 January 1999 in China, over a year earlier than the date of the registration of the defendant's trademark in Malaysia. (paras 14, 15 & 18)

(2) The plaintiff fulfilled the 'aggrieved person' test laid down in *McLaren International Ltd v. Lim Yat Meen*. The plaintiff had a genuine and present intention to use its trademark in the course of a trade which was the same as or similar to the defendant's. The plaintiff was someone who had legal interest, right or legitimate expectation in its own mark, which was being substantially affected by the presence of the defendant's trademark. The plaintiff was not a busybody, a crank or a mischief-maker, having shown special interest in the proceedings which it instituted against the defendant. The plaintiff was an aggrieved person within the meaning of ss. 46 and 47 of the TMA. (para 19)

(3) The SSM search disclosed the defendant's registered nature of business is 'to let and lease landed properties and motor vehicles', which clearly fell outside the scope of any of the classes under which the defendant's trademark was registered. In a charge of non-use, it is the defendant's duty to show positive use of the impugned trademark following the court's finding that the plaintiff had proved a *prima facie* case of non-use. This burden was failed to be lifted by the defendant. The defendant's trademark had not been put to use in good faith in Malaysia and the defendant had not provided proper reasons for such non-use. The defendant, in fact, did not trade in any business related to the use of the defendant's trademark. (paras 21, 30 & 32)

(4) There was a likelihood of confusion between the plaintiff's and the defendant's trademark considering the look and sound of both marks, the goods to which both marks were to be applied and the nature and kind of customer who would likely buy those goods. Therefore, the

defendant's trademark was ordered to be invalidated pursuant to s. 47(1) of the TMA as the impugned mark should not have been registered as it conflicted with sub-s. 23(5) of the TMA. (paras 43 & 44)

(5) The plaintiff had proven, on a balance of probabilities, that the defendant's trademark was registered based on fraudulent misrepresentation. The defendant must have known of the existence of the plaintiff's company. The defendant had copied the plaintiff's identity, name and mark to be incorporated into the defendant's trademark. The defendant's statutory declaration declaring that the defendant was the *bona fide* owner of the said trademark which was relied upon by the Registrar when it considered the defendant's registration application constituted a misrepresentation by the defendant to the Registrar of Trademarks. The plaintiff's application for the invalidation of the defendant's trademark was thus allowed pursuant to s. 47(6) read together with s. 54(a) of the TMA as the plaintiff had successfully proven that the said trademark's registration was obtained by fraud. (paras 49 & 50)

(6) The plaintiff's application for invalidation under s. 47(3) for breach of s. 24(3) of the TMA could only be maintained if it fell under any of the situation set out in s. 53(a) to (c) of the TMA. The provision relied on by the plaintiff, s. 24(3)(a) of the TMA, was not one of the situations permitted under s. 53 and therefore, the plaintiff's application under this part was dismissed *in limine*. (para 52)

Case(s) referred to:

Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal [2016] 9 CLJ 310 CA ***(refd)***

Ang Hiok Seng v. Yim Yut Kiu [1997] 1 CLJ 497 FC ***(refd)***

Asean Security Paper Mills Sdn Bhd v. CGU Insurance Bhd [2007] 2 CLJ 1 FC ***(refd)***

Consitex SA v. TCL Marketing Sdn Bhd [2008] 8 CLJ 444 HC ***(refd)***

Elba Group Sdn Bhd v. Pendaftar Cap Dagangan Dan Paten, Malaysia & Anor [1998] 4 CLJ Supp 24; [1998] 4 BLJ 24 ***(refd)***

Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (No 2) [2008] 7 CLJ 24 HC ***(refd)***

Government Of Malaysia v. Lim Kit Siang & Another Case [1988] 1 CLJ 219; [1988] 1 CLJ (Rep) 63 SC ***(refd)***

Lam Soon Edible Sdn Bhd v. Hup Seng Perusahaan Makanan (M) Sdn Bhd [2010] 5 CLJ 975 HC ***(refd)***

LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd [2012] 3 CLJ 661 FC ***(refd)***

Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***

Liwayway Marketing Corporation v. Oishi Group Public Company Limited [2017] 2 CLJ 286 CA ***(refd)***

Luk Lamellen Und Kupplungsbau GMBH v. South East Asia Clutch Industries Sdn Bhd [1996] 3 CLJ 904 HC ***(refd)***

McLaren International Ltd v. Lim Yat Meen [2009] 4 CLJ 749 FC ***(refd)***

Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party) [2015] 9 CLJ 125 FC ***(refd)***

Pianotist Co's application (1906) 23 RPC 774 ***(refd)***

A *Re Arnold D Palmer In The Matter of Trade Mark Registration No. 63249 [1986] 1 LNS 11* ***(refd)***
Sinnaiyah & Sons Sdn Bhd v. Damai Setia Sdn Bhd [2015] 7 CLJ 584 FC ***(refd)***
Tan Sri Hj Othman Saat v. Mohamed Ismail [1982] 1 LNS 2 FC ***(refd)***
Thrifty Rent-A-Car System, Inc v. Thrifty-Rent-A-Car Sdn Bhd & Anor [2003] 1 LNS 607 HC ***(refd)***
B *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC* ***(refd)***
Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2011] 1 LNS 1307 CA ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(refd)***
C *Yong Tim v. Hoo Kok Chong & Anor [2005] 3 CLJ 229 FC* ***(refd)***

Legislation referred to:
Trademarks Act 2019, ss. 23(5)(a), 24(3)(a), 46(1), 47(1), (3), (6), 53(a), (b), (c), 54(a)

For the plaintiff - Alex Kok & Ng Pau Chze; M/s PC Kok & Co
D *For the defendant - Michael Soo, Yu Shi Yang & Annabelle Koh; M/s Shook Lin & Bok*

Reported by S Barathi

JUDGMENT

E **Mohd Radzi Harun J:**

Introduction

[1] This court allowed the originating summons filed by the plaintiff under sub-s. 46(1) and sub-ss. 47(1), (3) and (6) of the Trademarks Act 2019 ('TMA 2019') to revoke and invalidate the trademarks registered in the F defendant's name. This is an appeal against that decision.

Background

[2] Plaintiff is the registered proprietor of the trademark as depicted below, which will be referred to in this judgment as "MENGNIU/蒙牛 G trademark":

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[3] The plaintiff is the principal operating subsidiary of the Hong Kong public listed conglomerate China Mengniu Dairy Company Limited I ('CMDCL'). CMDCL is a Chinese manufacturing and distribution company of dairy products with headquarters in Hohhot, Inner Mongolia, manufacturing dairy products under the brand name "MENGNIU".

[4] The plaintiff was established in 1999 and prides itself as one of the world's top-ranking dairy companies. The plaintiff contended that it is the inventor and originator of the trademark consisting the words "MENGNIU/蒙牛" . The word "MENGNIU" is taken from the full name of the plaintiff, Inner Mongolia Mengniu Diary (Group) Company Ltd, and the Chinese word "蒙牛", which literally means Mongolian cow. Thus, the MENGNIU/蒙牛 trademark depicts that the plaintiff company is from Mongolia with its core business primarily dairy products produced from Mongolian cow's milk.

[5] The status of the plaintiff's trademarks registration in Malaysia are as follows:

Denomination/ Mark	Registration No.	Class	Status	Effective Date
蒙牛	06002919	44	Registered	28/2/2006-28/2/2026
蒙牛	06002920	3	Registered	28/2/2006-28/2/2026
蒙牛	06002922	18	Registered	28/2/2006-28/2/2026
蒙牛	06002923	25	Registered	28/2/2006-28/2/2026
蒙牛	06002924	28	Registered	28/2/2006-28/2/2026
蒙牛	2019023739	35	Under Substantive Examination	4/7/2019
Mengniu Mengniu	2018074253	5	Objected	13/11/2018
Mengniu Mengniu	2018074254	29	Objected	13/11/2018
Mengniu Mengniu	2018074255	30	Objected	13/11/2018
Mengniu Mengniu	2018074257	35	Objected	13/11/2018
Mengniu Mengniu	2018074258	32	Objected	13/11/2018
蒙牛	2020007755	5	Under Formality Validation	29/4/2020
蒙牛	2020007760	29	Under Formality Validation	29/4/2020

[6] Apart from Malaysia, the plaintiff's MENGNIU/蒙牛 trademark and "Mengniu" denomination are registered trademarks in various parts of the world including China, Mongolia, USA, UK, Singapore, New Zealand, Russia, Philippines, Switzerland, and at the EU Intellectual Property Office for Europe-wide recognition.

The Plaintiff's Case

[7] The plaintiff discovered that the defendant had secured registration at MyIPO for its trademark bearing registration nos. 01014991 (class 29), 01014992 (class 30), 07021577 (Class 32), 07021578 (class 30) and 07021579 (class 29) in the defendant's name (collectively referred to as 'defendant's trademark') as follows:

[8] Upon that discovery, the plaintiff filed the current case against the defendant seeking the revocation and invalidation of the defendant's trademark on the following ground:

(i) revocation pursuant to s. 46(1) on grounds of its non-use;

(ii) invalidation pursuant to s. 47(1) as it is likely to cause confusion, in breach of s. 23(5) of the TMA 2019;

(iii) invalidation pursuant to s. 47(3) as it is in conflict with the plaintiff's MENGNIU/蒙牛 trademark and that the plaintiff had an earlier right over that mark, in breach of s. 24(3); and

(iv) invalidation pursuant to s. 47(6) as there was fraud in the registration of that defendant's trademark.

Findings

Is Plaintiff An "Aggrieved Person"?

[9] Before determining whether the plaintiff's application for revocation and invalidation could be sustained, ss. 46 and 47 instruct this court to resolve the fundamental legal issue as to whether or not the plaintiff is an aggrieved person. If the answer to this question is in the affirmative, only then will this court move on to consider the substantive issues of revocation and invalidation. On the contrary, if the answer to that question is in the negative, then the application shall be dismissed *in limine*.

[10] For the plaintiff to pass the test and being recognised as an "aggrieved person" within the meaning of ss. 46 and 47, it must firstly establish that it possesses the *locus standi*. Eusoffe Abdoolcader J (as His Lordship then was) in *Tan Sri Hj Othman Saat v. Mohamed Ismail* [1982] 1 LNS 2; [1982] 2 MLJ 177, held that in determining one's *locus standi* in a matter involving declarations (such as the current case before this court), the plaintiff must assert an infringement of his statutory right of a statute which affects the plaintiff's interests substantially or that the plaintiff has some genuine interest

in having his legal position declared, even though he could get no other relief. This proposition was expounded further by the Federal Court in *Government Of Malaysia v. Lim Kit Siang & Another Case* [1988] 1 CLJ 219; [1988] 1 CLJ (Rep) 63; [1988] 2 MU 12. The Federal Court having dealt in great detail the history that set out the principle on *locus standi* in England, held that the "sufficient and special interest" test applies in Malaysia, and concluded:

> Back in Malaysia, since we have not accepted O. 53 and its statutory underpinning (*ie*, s. 31 of the Supreme Court Act), there is no justification therefore for us to depart from the rule of *locus standi* accepted by the highest Court in England prior to O. 53.
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> ... Every legal system has a built-in mechanism to protect its judicial process from abuse by busy-bodies, cranks and other mischief-makers by insisting that a plaintiff should have special interest in the proceedings which he institutes. This special interest is a nexus between him and the party against who he brings his complaints to court and is known as *locus standi*.

[11] Within the context of trademark claims, the *locus standi* principle is further confined statutorily to cover persons who are aggrieved by actions claimed to have affected his intellectual property rights. In the High Court of Singapore case of *Re Arnold D Palmer In The Matter of Trade Mark Registration No. 63249* [1986] 1 LNS 11; [1987] 2 MLJ 681, Chan Sek Keong J (as His Lordship then was) set up in pronounced details, to the great benefits of this court and many others that referred to His Lordship's scholarly works in this case, the development of jurisprudence to determine who is that "aggrieved person" *vis-a-vis* trademark claims. The principle that can be distilled from His Lordship's decision is that a person is an aggrieved person in a trademark claim when:

(i) he has shown that he used his mark as a trademark;

(ii) he has a genuine and present intention to use his mark as a trademark;

(iii) the use or intention to use of that trade mark is in the course of a trade;

(iv) the trade in issue must be one which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the Register.

[12] *Re Arnold D Palmer* was referred to with approval by the Federal Court in *McLaren International Ltd v. Lim Yat Meen* [2009] 4 CLJ 749.

(See further affirmation of McLaren in *LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd* [2012] 3 CLJ 661; [2012] 4 MLJ 20; *Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party)* [2015] 9 CLJ 125; [2015] 6 MLJ 465, and *Liwayway Marketing Corporation v. Oishi Group Public Company Limited* [2017] 2 CLJ 286; [2017] 4 MLJ 141)

[13] The defendant argued that the plaintiff's case should be dismissed *in limine* for its failure to pass the aggrieved person test as laid out in the authorities cited above, based on the following reasons:

(i) the plaintiff has not adduced any evidence to show that it has used the MENGNIU/蒙牛 trademark on goods which are in the same class as the defendant's in Malaysia;

(ii) the plaintiff failed to prove it has a genuine and present intention to use the MENGNIU/蒙牛 trademark as its trademark;

(iii) the MENGNIU/蒙牛 trademark was not registered in classes 29, 30 and 32, the classes for which the defendant's trademark was registered;

(iv) the investigation carried out by the plaintiff's investigator revolved around the defendant's use of the impugned mark in its business in Malaysia, and that the plaintiff had filed for registration of its mark in Malaysia in the same class with the defendant's. Such findings do not show evidence of the plaintiff's business being carried out in Malaysia using the impugned mark;

(v) the plaintiff itself had admitted in its submissions that it has not manufactured nor sold any of its products using the MENGNIU/蒙牛 trademark in Malaysia as yet;

(vi) the plaintiff's allegation on its business expansion plan in Malaysia involving multiple huge supermarket chains throughout Malaysia was mere bare allegations unsupported by any evidence.

[14] The goods and services that are relevant for the purposes of the plaintiff's claims against the defendant are those covered by classes 29, 30 and 32, which mainly cover foods, confectionery and beverages. This would include jellies, jams, compotes; milk, cheese, butter, yoghurt and other milk products; flour and preparations made from cereals; bread, pastries and confectionery; ice cream, sorbets and other edible ices; and fruit beverages and fruit juices, syrup, non-alcoholic preparations for making beverages.

[15] That the plaintiff has not used the MENGNIU/蒙牛 trademark in Malaysia in the trading of its goods or services in those three classes are not disputed. The defendant argued that on this fact alone the plaintiff's case should be dismissed as it had failed to fulfil the threshold of "the trademark in issue must be used in the course of a trade that is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register", as established in *Re Arnold D Palmer* and *McLaren* and many other authorities that followed that principle. This court disagree with the defendant. As shown earlier, the plaintiff's registration in those three classes cannot proceed as they are currently being objected to by the defendant. This court agrees with the plaintiff's argument that if the plaintiff is insistent of using its mark in those classes despite it not yet being

registered, it is consciously risking itself to be sued for infringement and passing-off by the defendant. This would totally jeopardise its pending registration.

[16] Applying *McLaren*, what the plaintiff shall prove to the satisfaction of this court is either its actual use or its genuine and present intention to use in Malaysia its MENGNIU/蒙牛 trademark in trading goods that fall within the same classes of the defendant's. This court accepts the evidence adduced by the plaintiff that it has embarked on its plan to substantially invest in the Malaysian market by planning to work with Malaysian well-known shopping chain stores (AEON, MaxValue, HERO Market, Village Grocer, Jaya Grocer, Value-Mart, myNEWS, Family Mart, KK Mart and 99 SpeedMart, to name a few) to sell the plaintiff's products bearing the MENGNIU/蒙牛 trademark.

[17] This court also accepts the evidence that the MENGNIU/蒙牛 trademark is actively and widely used throughout the world through the plaintiff's involvement as one of the key sponsors in numerous global sporting events such as the Olympics and the World Cup. Such use covered Malaysia. Most importantly, this court is further satisfied that despite the fact that the plaintiff's and the defendant's end products are not the same, the nature and classification of their products (milk-based or milk-derivatives food, beverages and confectionaries) and their course of trade involving these products are similar.

[18] This court further took cognisance of the fact that the plaintiff is a legitimate trader who has a legitimate expectation and legal interest to use the MENGNIU/蒙牛 trademark since the plaintiff's corporate name and identity consist of the words "MENGNIU" and "蒙牛"and also being the original manufacturer and merchant of products bearing the MENGNIU/ "蒙牛" trademark. The plaintiff had registered the mark "蒙牛"as a trademark on 26 January 1999 in China, over a year earlier than the date of the registration of the defendant's trademark in Malaysia on 20 November 2001.

[19] Having considered all the above, this court concluded that the plaintiff fulfilled the test laid down in *McLaren*. The plaintiff has a genuine and present intention to use its MENGNIU/蒙牛 trademark as a trademark in the course of a trade which is the same as or similar to the defendant's. The plaintiff is someone who has legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the defendant's trademark. The plaintiff is not a busybody, a crank or a mischief-maker, having shown its special interest in the proceedings which it instituted against the defendant. The plaintiff is an aggrieved person within the meaning of ss. 46 and 47 of the TMA 2019.

Revocation Of The Defendant's Trademark Under Section 46(1) Of The TMA 2019 For Non-Use

[20] In proving *prima facie* non-use of the defendant's trademark, the plaintiff relied mainly on its searches at the Companies Commission of Malaysia ('SSM') and the reports of a licensed private investigator whom it had engaged to conduct commercial investigation over the defendant's business activities.

[21] The SSM search disclosed the defendant's registered nature of business is "to let and lease landed properties and motor vehicles". Such trade clearly fell outside the scope of any of the classes under which the defendant's trademark was registered. The search further showed the defendant's revenue is "0.00".

[22] The evidence from the private investigator's report revealed the following:

(i) there is no official website under the defendant's name;

(ii) a web and internet searches do not reveal any product that is manufactured or sold by the defendant;

(iii) the defendant shares the same business address/premise with Tan Lean Hong Traders (PG) Sdn Bhd ('TLHM'), and both companies are led by the same directors and shareholders;

(iv) no products bearing the defendant's trademark were seen during the on-site visit at the defendant's business address by the private investigator;

(v) the defendant's workers by the name of Ms Yee and Ms Ng informed the private investigator that the defendant company does not trade in any products with the defendant's trademark;

(vi) none of the products appearing in the defendant's product catalogue uses the defendant's trademark;

(vii) in a telephone conversation between the private investigator and Mr Tan Chee Keong, the director and shareholder of the defendant, Mr Tan confirmed that the defendant does not have nor sell any products bearing the defendant's trademark or the MENGNIU mark. Mr Tan confirmed that products bearing the MENGNIU brand is from China - plaintiff's products.

[23] The defendant's main contention is that the plaintiff failed to prove the defendant's non-use of the defendant's trademark. The defendant in its affidavits explained that TLHM is the former name of the defendant. The name-change occurred in 1997 to reflect its main business activities in landed property.

[24] According to the defendant, TLHM had for many years been licensed to distribute and sell the defendant's foods, drinks and confectionery-related business using the defendant's trademark. The defendant agreed that there is no proof of physical licensing issued by the defendant to TLHM. But, the defendant argued, licensing is implied by virtue of the ownership of TLHM by the same owner of the defendant, and that TLHM and the defendant are affiliate entities. Relying on the Court of Appeal's decision in *Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2011] 1 LNS 1307; [2012] 1 MLJ 585 where it was held that there is no necessity for the court to go into the relationship between the licensor and the licensee which regulates the contractual arrangements between them as to how the respective trademarks are to be held, the defendant argued that this court must accept that as TLHM and the defendant are associated companies and jointly owned by the same persons, there is an implied licence to use the defendant's trademark. This explained why the defendant exhibited copies of invoices issued by TLHM and copies of product label and packaging bearing the defendant's trademark, all of which were sold and distributed by TLHM. These must be taken by this court as evidence of substantial use and sale by the defendant of products bearing the defendant's trademark.

[25] The defendant argued that this court must reject the purported evidence introduced by the plaintiff through the private investigator's report as that report is hearsay as it failed to fulfil the minimum criteria as laid down in *Lam Soon Edible Sdn Bhd v. Hup Seng Perusahaan Makanan (M) Sdn Bhd* [2010] 5 CLJ 975; [2010] 4 MLJ 702. In this case Azahar Mohamed J (as His Lordship then was) reiterated the decision of the Court of Appeal in *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784; [1996] 3 MLJ 7 that survey evidence must meet certain minimum requirements, including:

(i) the selected interviewees must represent a relevant cross-section of the public;

(ii) the size must be statistically significant;

(iii) the survey must be conducted fairly; and

(iv) the totality of the answers must be disclosed and made available to the defendant.

[26] The defendant also through its affidavit averred that it had engaged one Meng Graphic in February 2020 to design the packaging of the defendant's lollipop, coconut candy, soya bean drink and asam jawa products incorporating the defendant's trademark. This evidence is supported by the affidavit of Wong Wai Meng, the art director for Meng Graphic.

[27] The principle as laid down by Ramly Ali J (as His Lordship then was) in *Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (No 2)* [2008] 7 CLJ 24; [2007] 7 MLJ 164, is that the plaintiff who applies for the revocation on ground of non-use has to prove at the outset a *prima facie* case of non-use. Once this is done, the burden falls upon the defendant as the registered proprietor to show evidence of use during the material period of time.

[28] Applying the principle laid down in *Godrej Sara Lee Ltd*, this court accepted the plaintiff's evidence through the SSM search and the investigator's report and with that, this court concluded that the plaintiff had established *prima facie* case of non-use against the defendant. The burden then shifted to the defendant to rebut it.

[29] Having scrutinised the defendant's evidence, this court concluded that the defendant failed to discharge its burden to prove its use of the impugned defendant's trademark in its products in the course of its trade for the ascertained period. The defendant failed to prove that it is the one that produced and marketed the products bearing the defendant's trademark. The defendant failed to explain satisfactorily on the registered nature of its business – landed property – which bears no significance to the classes of products for which the defendant's trademark was registered.

[30] The defendant's attempt to prove its positive continued use of the defendant's trademark through the invoices issued by TLHM remained unexplained. There was no evidence on licensing or the existence of the assignment and permission of TLHM's usage of the defendant's trademark in the course of TLHM's trade. Even if this court accepts the defendant's argument that TLHM is affiliated to the defendant and the defendant had permitted TLHM to use its mark, the invoices were issued in the name of TLHM, a completely distinct legal entity. It only shows TLHM's active use of the impugned mark, not the defendant. In a charge of non-use such as this one faced by the defendant, it is the defendant's duty to show positive use of the impugned trademark following the court's finding that the plaintiff had proved a *prima facie* case of non-use. This burden was failed to be lifted by the defendant.

[31] This court disagrees with the defendant's argument that the private investigator's report must be rejected on grounds of hearsay as it failed to fulfil the minimum criteria as laid down in *Lam Soon Edible Sdn Bhd*. The test laid down in that case pertains public survey evidence. The investigation carried out by the private investigator appointed by the plaintiff was not a public survey.

[32] This court concluded that the defendant's trademark had not been put to use in good faith in Malaysia and the defendant had not provided proper reasons for such non-use. This court accepts the conclusion drawn by the plaintiff through these evidence that the defendant in fact does not trade in

any business related to the use of the defendant's trademark. The defendant's zero revenue further portrayed that the defendant had not been active in the usage of the defendant's trademark such that it generated no revenue whatsoever for the defendant in conjunction with the use of that trademark.

[33] Based on the above considerations, this court allows the plaintiff's claim for the revocation of the defendant's trademark under s. 46(1) of the TMA 2019 for non-use.

Section 53 Of The TMA 2019

[34] The subsequent paragraphs will deal with the plaintiff's application for invalidation under s. 47 of the TMA 2019.

[35] As the defendant's trademark has been registered over a period of five years, the plaintiff's invalidation application under s. 47 shall be read together with s. 53 which provides:

> In all legal proceedings relating to a trademark in the Register, the original registration of the trademark shall, after the expiration of five years from the date of registration be taken to be valid in all respects unless it is shown that:
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> (a) the original registration was obtained by fraud;
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> (b) the trademark offends paragraph 23(5)(a), (c), (d) or (e); or
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> (c) the trademark was, at the commencement of the proceedings, devoid of distinctiveness of the goods or services of the registered proprietor.

[36] In essence, as the defendant's trademark has been registered for more than five years before the plaintiff's action here, the validity of that registration is deemed conclusive and can only be invalidated under any of those grounds enumerated above. All the other grounds of invalidation under s. 47 does not apply *vis-a-vis* the defendant's trademark. If so, such an application must be dismissed *in limine*.

[37] The plaintiff's first basis of invalidation is that the defendant's trademark is likely causing confusion, in breach of s. 23(5)(a) of the TMA 2019. Invoking this ground to invalidate the defendant's trademark is allowed under s. 53(b). The second basis of invalidation was made pursuant to s. 47(6) as the plaintiff alleged the registration of the defendant's trademark was tainted with fraud. This is also allowed as a ground for invalidation of the defendant's trademark, in line with s. 53(a).

[38] However, the third basis of invalidation cited by the plaintiff that the registration of the defendant's trademark was in breach of s. 24(3) as the plaintiff had proven it had an earlier right over the defendant's cannot be sustained. This ground is not provided under any parts of s. 53.

[39] The decision of this court for each of those grounds are enumerated in the subsequent paragraphs.

Invalidation Pursuant To Section 47(1) For Breach Of Section 23(5)(a) Of The TMA

[40] The plaintiff's application here is that the defendant's trademark is so similar to the MENGNIU/蒙牛 trademark that it will likely cause confusion to the detriment of the plaintiff in that consumers would take the defendant's products as that of the plaintiff's.

[41] In determining whether the alleged likelihood of confusion do exist in the defendant's trademark, this court applied the time-tested principle laid down in *Pianotist Co's application* (1906) 23 RPC 774, where it was held that this court shall take all relevant circumstances. Firstly, this court must take both the marks and judge them by their look and by their sound. Then, this court must consider the goods to which both marks are to be applied. After that, this court should consider the nature and kind of customer who would be likely to buy those goods. This court must then consider what is likely to happen if each of those trademarks is used in a normal way as a trademark for the plaintiff's goods and the defendant's goods. At that point, this court should come to a conclusion whether there will be a confusion in the mind of the public which will lead to confusion in the goods. If the answer is in the affirmative, then this court can conclude that the registration of the defendant's trademark will likely cause confusion and should not have been registered. The net effect of which the registration must be invalidated as it conflicted with sub-s. 23(5)(a).

[42] The defendant's main argument against this ground of application was that there is no likelihood of confusion between the MENGNIU/蒙牛 trademark and the defendant's trademark as the MENGNIU/蒙牛 trademark contained essential and distinctive features in the form of crescent and boomerang, both of which are absent in the defendant's trademark.

[43] Applying the totality test as laid out in *The Pianotist* which had been accepted by a plethora of authorities in Malaysia (see *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344; [1992] 2 MLJ 63 (SC); *Elba Group Sdn Bhd v. Pendaftar Cap Dagangan Dan Paten, Malaysia & Anor* [1998] 4 CLJ Supp 24; [1998] 4 BLJ 24; [1998] 4 MLJ 105 (HC); *Consitex SA v. TCL Marketing Sdn Bhd* [2008] 8 CLJ 444; [2008] 3 MLJ 574 (HC); *Al Baik Fast Food Distribution Co SAE v. El Baik Food Systems Co SA & Another Appeal* [2016] 9 CLJ 310; [2016] 5 MLJ 768 (CA)), I conclude that there is a likelihood of confusion between the plaintiff's and the defendant's trademark. I had considered the look and sound of both marks. I had considered the goods to which both marks are to be applied, and the nature and kind of customer who would be likely to buy those goods. I came to a satisfactory conclusion that there will be a confusion in the mind of the public which will lead to confusion in the goods.

[44] I therefore ordered that the defendant's Trademark shall be invalidated pursuant to s. 47(1) of the TMA 2019 as the impugned mark should not have been registered as it conflicted with sub-s. 23(5) of the TMA 2019.

Invalidation Pursuant To Section 47(6) Of The TMA For Fraud

[45] In supporting its claim under this heading, the plaintiff relied on the report of the private investigator it had engaged to conduct commercial investigation over the defendant's business activities. This court had determined earlier that the evidence of this private investigator through her report was taken into account by this court in assisting this court to arrive at its conclusion in allowing the plaintiff's claim to revoke the defendant's trademark on ground of non-use. This court resolved that the plaintiff was correct to draw the same evidence of the private investigator to support its claim for the invalidation of the defendant's trademark on the ground that its registration was laced with fraud.

[46] The plaintiff referred to the part in that report where the defendant's director, Tan Chee Keong, had voluntarily informed the said investigator that the MENGNIU/蒙牛 trademark is a brand from China which is owned by the plaintiff. The plaintiff argued that despite knowing such fact, the defendant continued to apply for the registration of the defendant's trademark. Relying on *Luk Lamellen Und Kupplungsbau GMBH v. South East Asia Clutch Industries Sdn Bhd* [1996] 3 CLJ 904, the plaintiff submitted that such act comprises a practice of falsehood, fraud and misrepresentation on the defendant's part to enable the defendant's trademark to be wrongly registered. The defendant had further failed to provide an acceptable explanation as to the choice of the name "Mengniu" in its mark. The only conclusion that could be drawn when the defendant failed to proffer any plausible explanation on its choice of mark was that the defendant had not independently devised that mark itself, and had instead tried to obtain the benefit of the worldwide reputation of the plaintiff: *Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337; *Thrifty Rent-A-Car System, Inc v. Thrifty-Rent-A-Car Sdn Bhd & Anor* [2003] 1 LNS 607; [2004] 7 MLJ 567.

[47] Whilst this court agrees with the defendant that the facts in *Luk Lamellan* differs with the facts here, the principle in that case is clearly applicable. The defendant's main contention is that the plaintiff's existence is not known to the defendant or the Registrar or the Malaysian public at large when the defendant's mark was registered in 2001, as the plaintiff's mark has never been used in Malaysia at that time. Thus, the plaintiff's contention that the defendant's trademark was fraudulently obtained cannot sustain. Citing the Federal Court case of *Asean Security Paper Mills Sdn Bhd v. CGU Insurance Bhd* [2007] 2 CLJ 1; [2007] 2 MLJ 301, which affirmed its

earlier decision in *Yong Tim v. Hoo Kok Chong & Anor* [2005] 3 CLJ 229, the defendant argued that it is now settled law that the standard of proof required of the plaintiff when it alleged fraud is one of beyond reasonable doubt and not on a balance of probabilities.

[48] While it is correct that such was the law then, the decisions of *Asean Securities*, *Yong Tim* and another earlier decision of the Federal Court in *Ang Hiok Seng v. Yim Yut Kiu* [1997] 1 CLJ 497; [1997] 2 MLJ 45, had all been revisited by the Federal Court in *Sinnaiyah & Sons Sdn Bhd v. Damai Setia Sdn Bhd* [2015] 7 CLJ 584; [2015] 5 MLJ 1 where the Federal Court overturned *Asean Securities*, *Yong Tim* and *Ang Hiok Seng* and settled the law that the standard of proof for all evil matters in Malaysia, whether involving fraud or otherwise, is on the balance of probabilities.

[49] Having perused all the evidence before me, this court concluded that the plaintiff had proven on a balance of probabilities that the defendant's trademark was registered based on fraudulent misrepresentation. The defendant must have known of the existence of the plaintiff's company. The defendant's attempts to explain its choice of the "Mengniu" name in its mark, based on certain advice by fengshui master and the incoherent meanings attached to the Chinese character of "Meng" chosen for its mark which is translated into English as "dull, ignorant, unconscious, illiterate, dim-sighted and cheat" do not correspond with the defendant's version of how it created its mark on its own. This court agrees with the plaintiff that the defendant had copied the plaintiff's identity, name and mark to be incorporated into the defendant's trademark. The defendant's statutory declaration declaring that the defendant is the *bona fide* owner of the said trademark which was relied upon by the Registrar when it considered the defendant's registration application (refer para. 14 of the Registrar's statement) constitute a misrepresentation by the defendant to the Registrar of Trademarks.

[50] Based on the above considerations, this court allowed the plaintiff's application for the invalidation of the defendant's trademark pursuant to s. 47(6) read together with s. 54(a) of the TMA 2019 as the plaintiff had successfully proven that the said trademark's registration was obtained by fraud.

Invalidation Of The Defendant's Trademark Pursuant To Section 47(3) Of The For Breach Of Section 24(3)

[51] To succeed for its claim under this limb, the plaintiff must prove that the defendant's trademark was wrongly registered as it infringed sub-s. 24(3) where the Registrar should not have registered that mark as it is identical with or similar to the plaintiff's MENGNIU/蒙牛 trademark, a well-known trademark which is not registered in Malaysia and it is to be registered for the identical goods or services of the defendant. The plaintiff's case here is

that there already in existence a well-known registered trademark belonging to the plaintiff which had been in existence well before the defendant's trademark was registered in 2001. Such being the case, the registration of the defendant's trademark must be invalidated as it contravened s. 24(3)(a) which provides that the Registrar should have refused the registration of the defendant's trademark as it is identical with or similar to the plaintiff's well-known trademark which is not registered in Malaysia and it is to be registered for the identical goods or services of the defendant.

[52] But, as I had indicated in the earlier paragraph, as the five registered marks of the defendant are deemed conclusive by law as it had fulfilled the requisite statutory requirements of five years post-registration, the plaintiff's application is subjected to s. 53. The plaintiff's application for invalidation under this part can only be maintained if it falls under any of the situation set out in s. 53(a) to (c) of the TMA 2019. As the provision relied upon by the plaintiff under this part, s. 24(3)(a) is not one of the situations permitted under s. 53, the plaintiff's application under this part is dismissed *in limine* without this court having to consider the merit of the application therein.